

Public Agenda Item #15a

Review, Discussion and Consideration of the
Texas Employees Group Benefits Program for Fiscal Year 2017:

Basic and Optional Term Life, Accidental Death
and Dismemberment Proposed Rates

May 17, 2016

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GBP Life and AD&D Contribution Rates

Funding and Enrollment



- Benefits are funded through member contributions.
- Contribution rates are set by the Board.
- Employee and retiree basic term life and AD&D benefits are paid for by the State of Texas through the biennial insurance appropriation.

GBP Life and AD&D Coverage As of March 31, 2015			
Plan	Funding	Enrolled Members	Volume of Insurance
Basic Life	Fully Insured	319,399	\$ 1,338,425,000
Optional Life & AD&D	Fully Insured	212,673	20,307,087,650
Voluntary AD&D	Fully Insured	133,201	18,500,016,750
Dependent Life & AD&D	Fully Insured	112,040	489,007,500

GBP Life and AD&D Contribution Rates

Fiscal Year 2016 Rate Analysis



- Life rates were developed based on:
 - Reasonable expectations of future claims
 - Anticipated claim patterns
 - Expected investment income
 - Maximum claim rates and administrative fees included in the Minnesota Life contract
- Based on this analysis, member contribution rates currently in effect for FY 2016 for all Life coverages are appropriate for continued use for FY 2017.
- AD&D member contribution rates, which are based on the guaranteed premium rates and have been stable since September 1, 2007, will remain at the current levels under the contract.

GBP Life Coverages

Financial Experience



Experience Summary Through March 31, 2016

Coverages	Average Volume (000)	Total Premium	Incurred Claims	Loss Ratio
Basic Life	\$1,303,188	\$28,887,633	\$27,173,321	94.1%
Optional Life	\$18,707,438	\$216,093,486	\$211,862,741	98.0%
Dependent Life	\$499,139	\$8,026,813	\$8,160,955	101.7%
Life Total	\$20,509,765	\$253,007,932	\$247,197,017	97.7%

Staff Recommendation

Proposed FY 2017 Life and AD&D Contribution Rates



Plan	Proposed FY17	Change from Current Rate
Active and Retiree Basic Term Life and AD&D	\$2.22	No Change
Active and Retiree Optional Life and AD&D Range based on age from <25 to ≥90	\$0.05 to \$10.57	No Change
Active Dependent Life and AD&D	\$1.38	No Change
Retiree Minimum Optional Life	\$2.34	No Change
Retiree Dependent Life	\$3.05	No Change
Voluntary AD&D		
Employee Only	\$0.02	No Change
Employee & Family	\$0.04	No Change

Questions?